Observations on Rural Development in the Philippines

SOME PROBLEMS OF IMPROVING AGRICULTURAL PRODUCTIVITY

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Introduction

It seems to me that we have sufficient knowledge and understanding concerning the factors that significantly affect agricultural development. These factors range from physical and technical inputs to capital and credit sources and uses, from agricultural extension techniques, institutions and organizations to socio-economic incentives and markets. In the past ten to fifteen years, numerous books, articles, and scientific papers have been written by scholars, professors and technicians, and as many workshops, seminars, discussion meetings, training courses have been held dealing with the factors affecting agricultural development in many countries. In addition, many econometricians and statisticians have developed a number of highly sophisticated and complex econometric models which attempt to explain the process and behavior of economic and agricultural growth in the developing countries. Yet, in spite of all these efforts, agricultural production in many developing countries remains stagnant. I wonder to what extent these academic exercises have contributed to actual production increases at the farm level and to improving the level of per capita output in agriculture of the less developed countries.

I believe we know a great deal about the generalities for improving agricultural productivity but still lack the specific and precise knowledge on how productivity increases in a given country starts and how a meaningful agricultural development program is effectively sustained. I have observed in several Asian countries that discussion on land reform, improvement of agricultural extension and credit, irrigation systems, improved varieties of seeds or new crops have been continuing for more than ten to fifteen years. Still unit yields of major crops and over-all agricultural productivity remained unchanged even after many of these programs were implemented. We have to ask ourselves why this situation persists and what can be done to remedy it in the most decisive and permanent way possible.

Let us take a familiar example from the Philippine agricultural situation. I visited the Philippines in June 1956 to attend a United States Foreign Operations Administration (FOA, as you know, was one of the predecessors of AID) sponsored conference on agricultural credit. At that time both the Philippine Government and FOA were implementing a large-scale agricultural credit program through the ACCFA and the FaCoMas. Many people then thought that agricultural credit was the key to the problem of low agricultural productivity and that by providing credit at reasonable rates of interest to the farmers they would improve agricultural

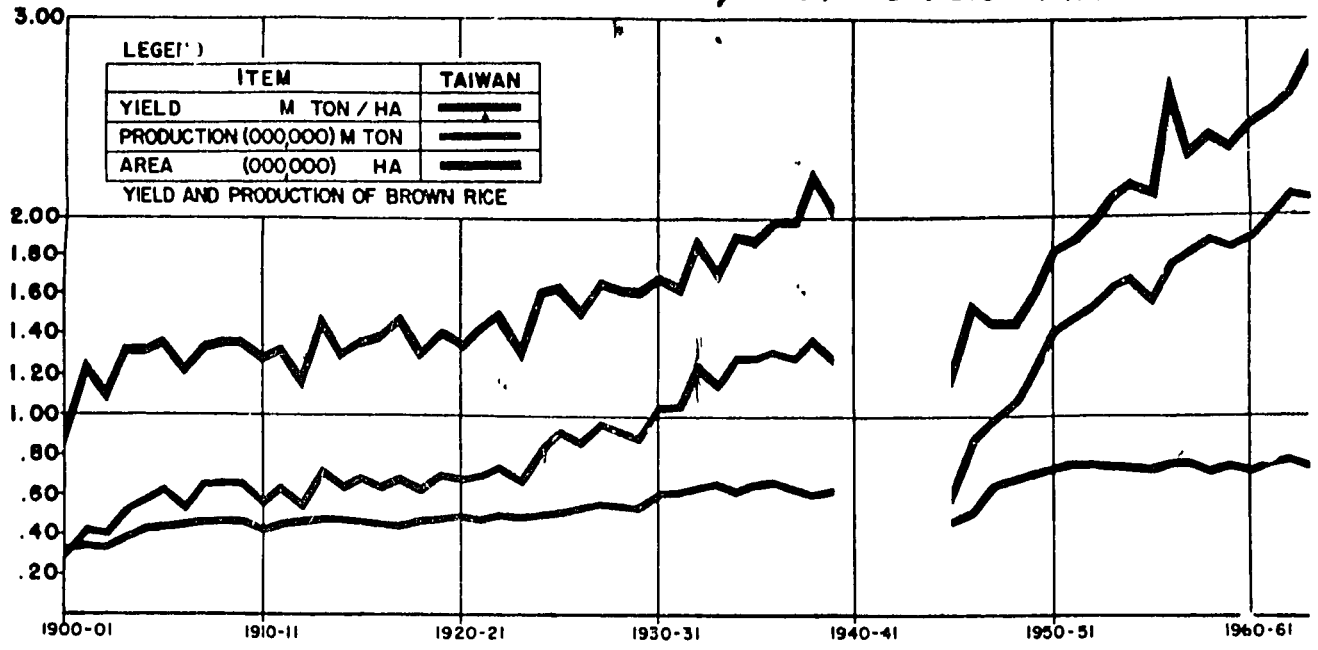
production. After ten years we realize that the farm credit program has failed to solve the problem of low agricultural productivity.

A few years ago, many people thought that new land reform legislation would be the answer to increasing agricultural output. The Land Reform Code (R.A. 3844) was enacted by Congress on August 8, 1963 and the National Land Reform Council was established to satisfy the needs of agricultural development in land reform declared districts. Evidence and experience gained from pilot land reform areas indicate that the problems of increasing agricultural productivity are not so simple and that land reform alone does not guarantee any improvement of productivity at the farm level. People have also talked about improved seed varieties and fertilizers for many decades, but again experience has shown that these factors of themselves have not produced any significant impact or real breakthrough on agricultural productivity or increased unit yields of major crops in the country as a whole.

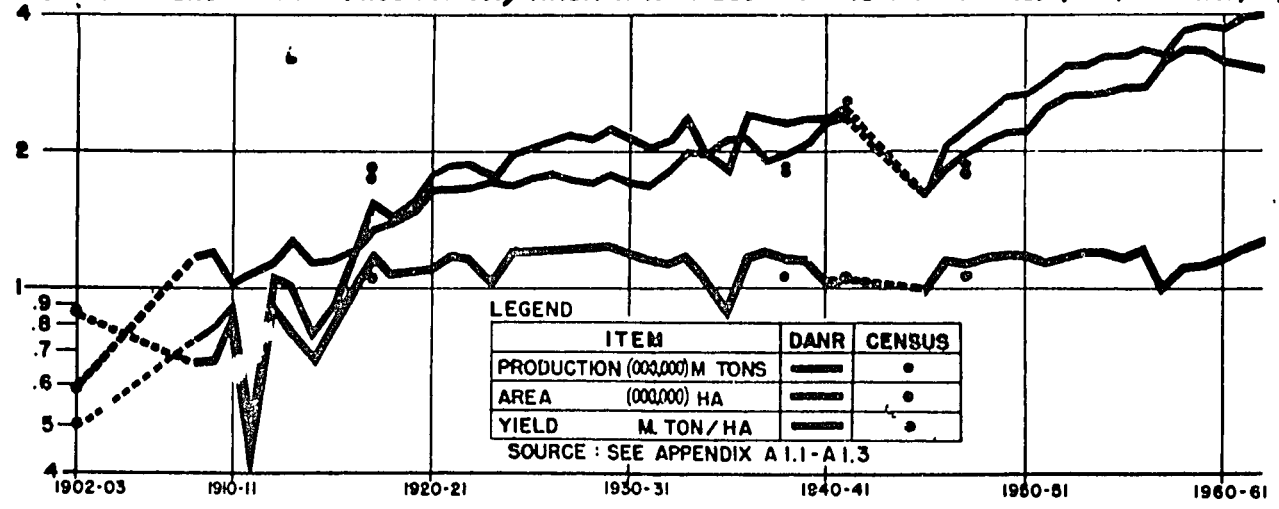
I. Rice Production Trends of Three Asian Countries Compared

Let me present some rice production figures over a fifty to sixty year period of three Asian countries - Taiwan, the Philippines and Thailand - to show you the similarities and contrasts in the productive performance of these countries in relation to area expansion. You will note from Chart No. I

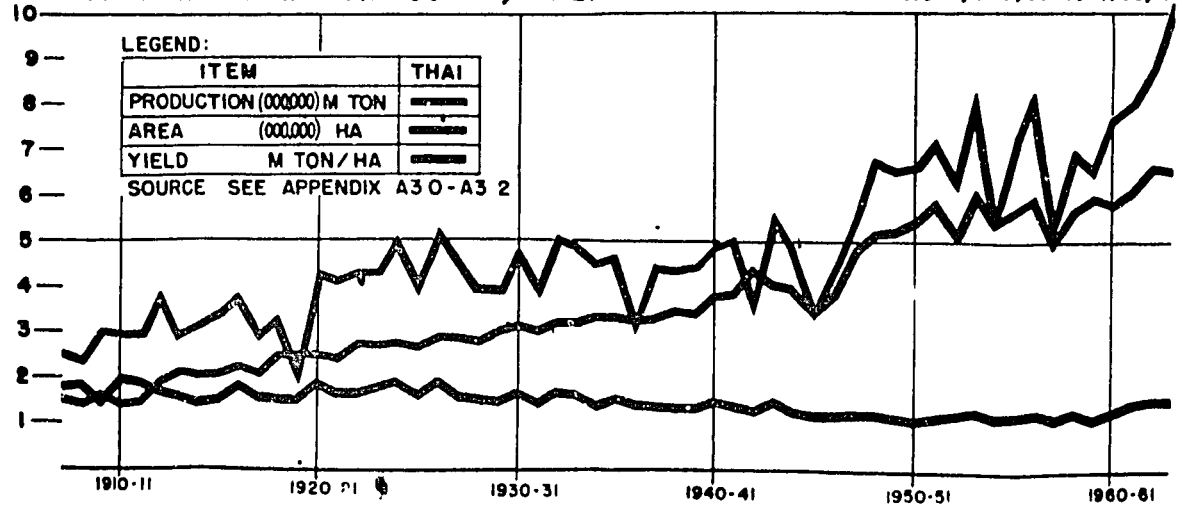
LONG TERM TREND OF RICE PRODUCTION, AREA AND YIELD IN TAIWAN (1900-1963)



LONG TERM TREND OF RICE PRODUCTION, AREA AND YIELD IN THE PHILIPPINES (1902/03 TO 1962/63)



LONG TERM TREND OF RICE PRODUCTION, AREA AND YIELD IN THAILAND (1907/08 TO 1963/64)



Source: V.W. Ruttan and S.C. Hsieh, Technological, Institutional and Environmental Factors in Rice Production, Philippines, Thailand and Taiwan.

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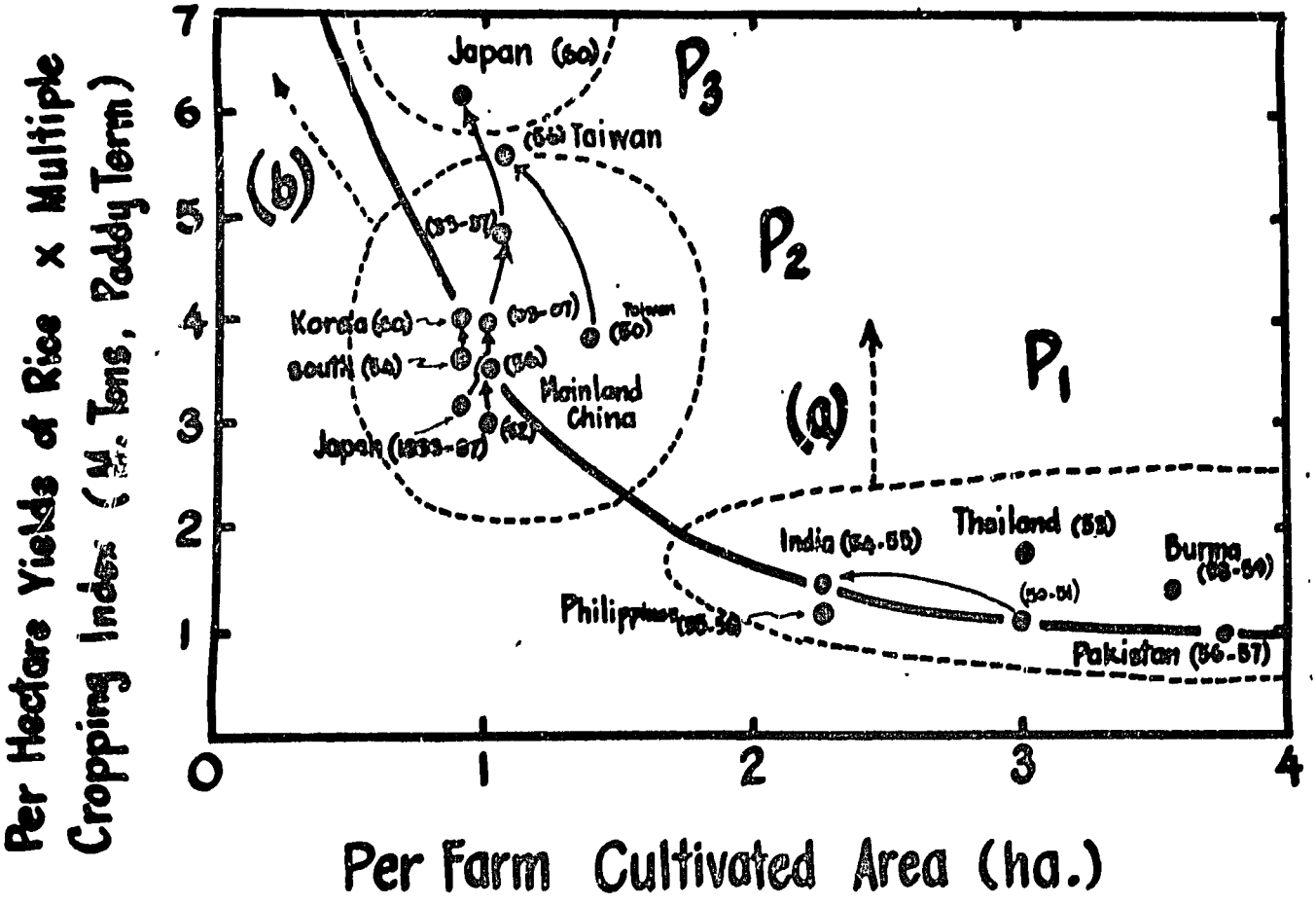
that in Taiwan, while the cultivated rice area between 1900 to 1960 increased only slightly (from about a quarter of a million to about three quarters of a million hectares on the average), yet rice production and yields per land unit made dramatic increases from about .80 metric tons to over 2.80 metric tons per hectare. Meanwhile, in the Philippines, whereas the cultivated rice area had been extended from about .60 million to over 3 million hectares on the average over the same sixty-year period, still rice production per land unit had not grown appreciably (from about .90 metric tons to around 1.2 metric tons per hectare on the average). Similarly, Thailand had considerably expanded its cultivated rice area from 1.5 million hectares to over 6.5 million hectares during the fifty year period, 1910 to 1960, but its rice yields over that period decreased from about 1.90 to 1.5 metric tons per hectare.

From Chart No. II it will be seen that Japan, South Korea, Taiwan and mainland China have had impressive per hectare yields of rice without expanding significantly their cultivated farm areas, whereas Burma, Pakistan, Thailand, India and the Philippines have not succeeded in improving to an appreciable degree their per hectare yields in proportion with the expansion of per farm cultivated area.

This comparative analysis brings to me to my second observation which touches upon the question of "the sequence of developmental inputs," and "the strategy factors in the

Relationship Between Farm Cultivated Area And Hectare Yields (Selected Countries in Asia)



Notes: For Japan, in 1933-37, land productivity is measured simply in terms of per hectare yields of rice.

Source: S.Ishikawa: Conditions for Agricultural Development in Developing Asian Countries.

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development process" for a real breakthrough in achieving stepped up agricultural productivity. It seems to me that before we proceed to formulate policies and programs affecting agricultural development we should have a better understanding and appreciation of the phases or stages of a country's agriculture under its existing conditions and this must be related closely with its development strategies and input program.

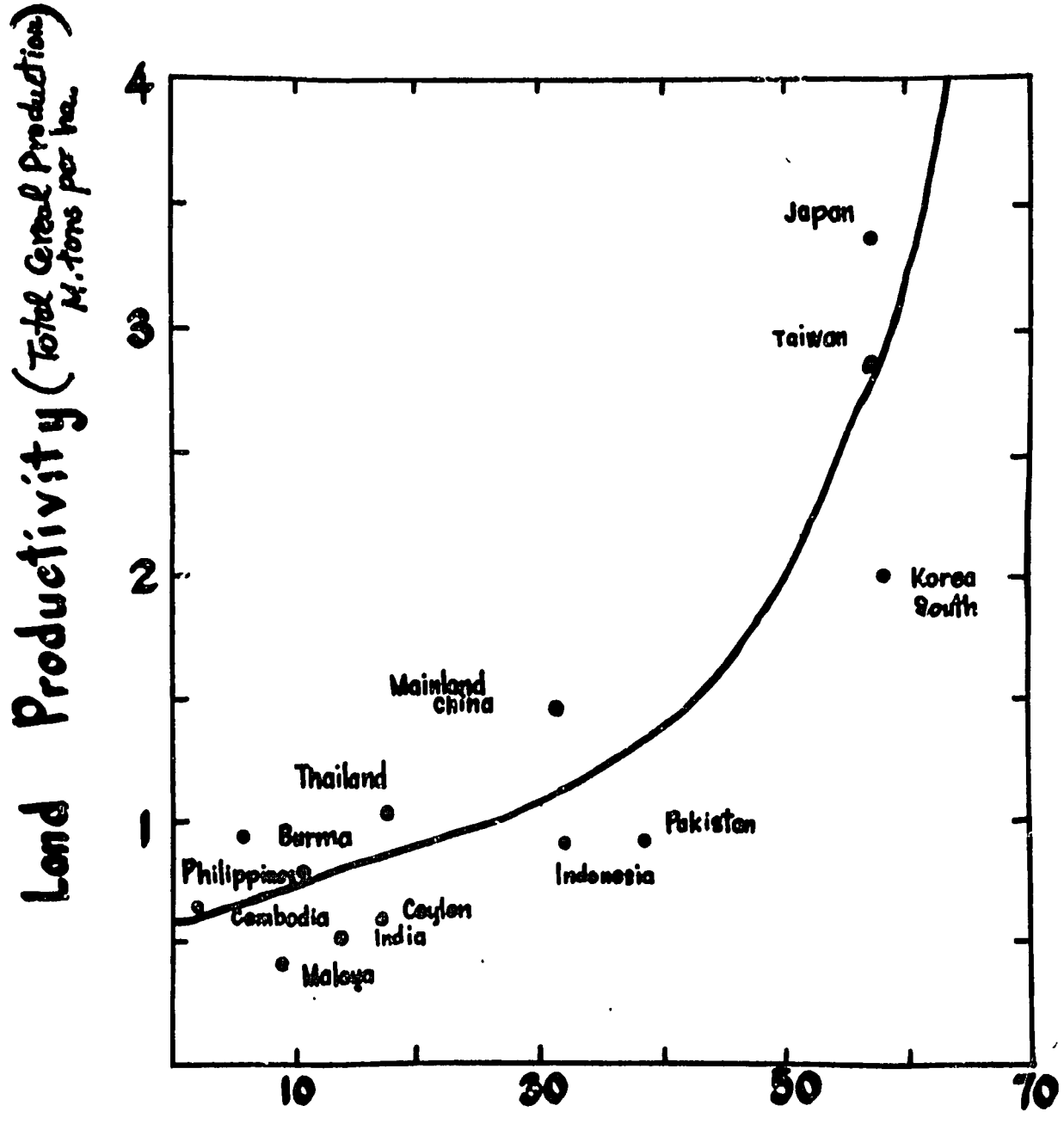
Following the observations and the line of thought presented in a graphic way in Charts I and II which clearly indicate the important difference between improved productivity per unit area under cultivation and increase in area or size per operating farm unit, one can reasonably deduce that when a country's agriculture is still in the early phase of development, as is the case in countries like the Philippines, Thailand, Pakistan and India, the dominant input pattern in agriculture should be concentrated on the construction of infrastructures, such as flood control, irrigation, and farm to market roads. If the agricultural development programs for increasing productivity at this early stage are totally directed toward improved seed varieties and wider use of chemical fertilizers, the response in agricultural productivity will probably be quite limited. This has been the experience in both the Philippines and Thailand during the past two decades. However, when a country's agriculture has

been developed to a more advanced stage with such infrastructures as flood control and irrigation systems, then the dominant input pattern for increased productivity will depend on improved seed varieties, fertilizers, better credit and marketing services, etc. This is the present situation in Japan and Taiwan.

Chart No. III shows the close relationship between low productivity per land unit with low irrigation ratio in such countries as Cambodia, the Philippines, Burma, Thailand, Malaya, India and Ceylon which all have less than 20% of the cultivated land under irrigation and whose level of production falls below two metric tons per hectare. Conversely, Taiwan and Japan where the ratio of irrigated areas to total land under cultivation is well over 50%, the productivity per hectare with irrigation ranges from three metric tons to upwards of five metric tons.

This striking contrast points up, the crucial problem of determining on the one hand, the priorities relating to agricultural infrastructure requirements essential for inducing increased productivity, and on the other, the necessary technical and physical inputs for improving farm production in the developing countries of Asia. We therefore ought to specify carefully the sequence of requirements which are of primary and paramount importance to any rational and realistic plan for increasing agricultural productivity.

Relationship Between Land Productivity and Irrigation Ratio in Selected Countries* in Asia



*1960-61

Land - Arable land and land under permanent crops.

Source: S. Ishikawa: Conditions for Agricultural Development in Developing Asian Countries.

Without a minimum of infrastructure in the form of flood control and irrigation systems, money spent for improved seed varieties, fertilizer and similar inputs will pay off very poor returns on costly developmental investment. It seems to me that this is a most important guiding principle for any development programming designed to effect productivity increases in agriculture.

II. Some Observations on Projects for Increasing Agricultural Production in the Philippines

Allow me to cite some observations I have noted on my field trips to some of the rice growing areas of Bulacan. These examples may help to illustrate the points I have made concerning the importance of following a well-tested and proven strategy and sequence of developmental inputs for increasing agricultural productivity.

In one area I visited, the government agricultural extension workers informed me of an experiment they had conducted among the local farmers to make them adopt some of the improved seed varieties, use more fertilizer and follow better tillage practices. The first time the experiment was being conducted, heavy rains and strong floods practically wiped out the experimental plots of the farmer cooperators. The second time it was being tried there was a long dry period and the stunted rice plants grew no higher than the weeds

around them. The sad experience of these poor extension workers and farmers is a typical example of failure that can easily be traced back to a wrong strategy, that is, the lack of a proper sequence in the development of primary infrastructure in the form of an effective flood control and irrigation system prior to undertaking an experiment on improved seed varieties, physical and technical inputs which were not immediately relevant to and of any practical value under the conditions prevailing in the area.

On another occasion I was shown two barrios - one in the morning and the other in the afternoon. In the barrio we visited in the morning the extension worker told me of the high yielding rice varieties that he had succeeded in convincing a number of farmers to plant in their fields. But as we went through the barrio I noticed that only one part had water, while the other was quite dry. I pointed out that what the barrio as a whole needed first and most of all was better irrigation and probably more effective water management (which would include flood control), and not so much the experiment and demonstration plots of improved seed varieties. And experience in this case, as in many previous cases have shown, instead of becoming convinced, farmers grow more skeptical about improved varieties and recommended inputs and practices because the lack of water and flood control measures have nullified the productive capacity and

performance of these improved varieties.

In the afternoon we visited another barrio where the extension worker informed me that he had managed to persuade the farmers to move up their planting season by one month and in this way take full advantage of the rainy season. This extension worker had offered better and more practical advice (though only a temporary and imperfect one) than the one in the barrio I visited in the morning.

On still another field trip I witnessed the down-to-earth wisdom of some farmers and the bitter disappointment of others within the same rice growing area where agricultural extension workers had been promoting more fertilizer use. The farmers whose rice fields were situated on slightly higher ground had used fertilizer, while those on the lower levels did not apply any fertilizer. When the heavy rains came the water carried away the fertilizer and some enriched top soil and flowed down from the upper fields to the lower fields. Those who had not used fertilizer reaped a rich harvest of from 60 to 65 cavans per hectare, while those who had used fertilizer on the upper fields had no remarkable increase in rice production. Is it any wonder that farmers sometimes become disinterested and perhaps disenchanted with the "magic power" of fertilizers to increase agricultural production?

III. Some Comments on Current Agricultural Programs

I would next like to make certain comments about three widely-publicized agricultural programs which are expected to bring about impressive improvements in agricultural productivity. I refer to the envigrated land reform program, the agricultural extension and the production credit programs. With regard to land reform, I submit that this program may indeed offer a social and political answer to long-standing agrarian grievances and unrest, but I doubt that it will necessarily solve the problem of low production per cultivated land unit. While I have no objections at all to the social and political principles underlying the land reform legislation, I have genuine misgivings (from the point of view of an agricultural economist) about its validity and practical value on the operational level in generating increased agricultural productivity. While the land reform program may effect a more equitable participation in the ownership of land, and possibly even contribute to a better redistribution of income, it will not per se (of itself) and with absolute certainty effect increased productivity per unit area under cultivation. The examples and experiences I cited above all indicate that no matter how much you change over from tenancy to leasehold and eventually to full ownership, no significant increases in agricultural production can be

expected of and attributed to a new land tenure situation unless you first provide the basic and primary irrigation and flood control measures that will actually contribute and affect directly the improved productivity per unit area cultivated. In some instances, the enlightened and progressive farm management of responsible landlords have provided both the needed capital and the technical know-how for their tenants to double their productive performance on the same land units they have been operating for years. Can the government-supervised land reform program offer good assurances that it will offer as good, if not better, incentives to the vast number of emerging new owner operators?

With regard to a basic assumption of the agricultural extension program that by training a select group of farmers who are more innovation-prone and responsive to experimentation that they in turn would show others how to improve their agricultural production per land unit, this over-optimistic theory has not been tested and verified sufficiently and it would be quite risky to use it as a working principle for a nation-wide program for improving agricultural productivity. When farmers are faced with the hard choice between following the example and the instructions of these farmer-leaders versus the harsh realities of suffering crop losses or decreases they generally prefer to continue farming in the same old and safe way rather than adopt the more modern farm-

ing methods that they have observed and even admired. By what means does one re-inforce their initial interest in adopting the improved farm practices and applying the necessary physical inputs? Possibly by some form of crop insurance protection against crop losses or sharp decreases due to natural disasters, and, of course, by a stable and protected market price for their farm products.

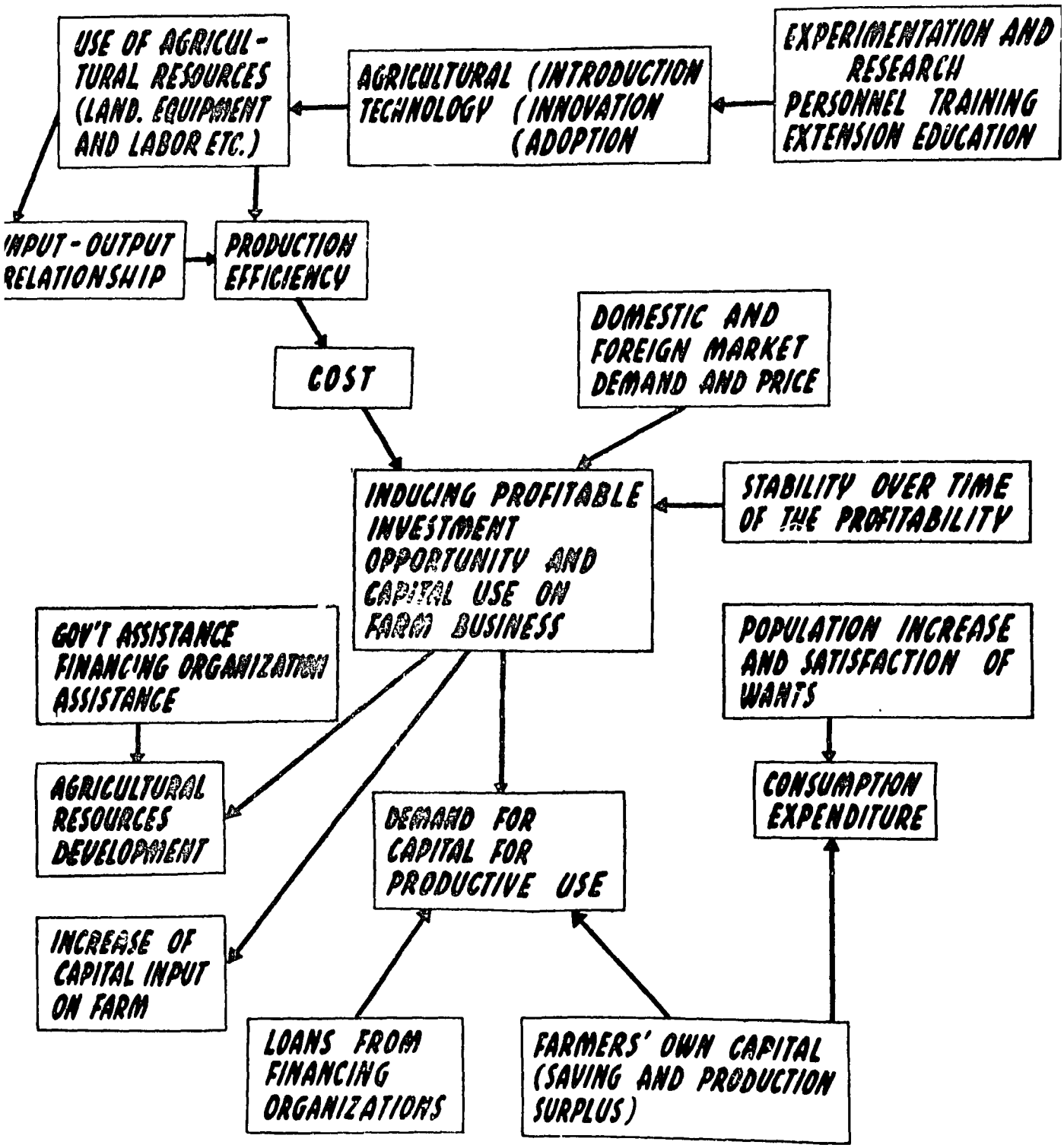
Then there is the popular program of supervised agricultural credit (this would include both the present farm production credit system and the corresponding commodity loan arrangement with selected Rural Banks). The question I wish to raise about this program does not pertain to the importance of farm credit nor the desirability of a well-administered program that would serve the financing needs of small and medium size farms. My main concern would be to find out whether these farms have the productive potential to qualify for these loans, and whether the marketing facilities for their farm products are adequate. And again I must return to my dominant theme of first providing for the essential irrigation and flood control and roads infrastructures and the machinery needed to obtain basic information about their specific potentials for increased production given the required inputs, and the proper functioning of a marketing and price system for their farm products.

IV. Capital Requirements and Financing Strategy

Another point I would like to stress is the problem of the capital requirements and financing to fulfill the technical conditions and the strategic inputs for improving agricultural productivity. In transforming traditional subsistence agriculture to modern commercial agriculture, there must be an infusion of capital for the use of agriculture in order that the required technology and strategic inputs can be made available to the farmers. However, under conditions usually existing in traditional subsistence agriculture, the key problem in most cases is the lack of production possibilities and very limited investment opportunities on farming and farm-related operations. Consequently, the provision of credit and capital to the farmer does not necessarily bring about higher production nor improved production capabilities. In the final analysis, the key solution consists in discovering the type of low-cost technology derived from readily available sources that will generate a rapid and prolific rise in agricultural productivity under poor low income farm conditions. This impressive breakthrough in agricultural production may very well create a stimulating climate of new and profitably attractive opportunities for capital investment in the agricultural sector of the economy.

Let me illustrate by means of Chart No. IV the factors affecting capital use and investment in agriculture. You can readily see the comprehensive and complex linkages that are

FACTORS AFFECTING CAPITAL USE AND INVESTMENT ON FARM BUSINESS-


USE OF AGRICULTURAL RESOURCES (LAND. EQUIPMENT AND LABOR ETC.)
AGRICULTURAL TECHNOLOGY (INTRODUCTION (INNOVATION (ADOPTION
EXPERIMENTATION AND RESEARCH PERSONNEL TRAINING EXTENSION EDUCATION
INPUT-OUTPUT RELATIONSHIP
PRODUCTION EFFICIENCY
COST
DOMESTIC AND FOREIGN MARKET DEMAND AND PRICE
INDUCING PROFITABLE INVESTMENT OPPORTUNITY AND CAPITAL USE ON FARM BUSINESS
STABILITY OVER TIME OF THE PROFITABILITY
GOV'T ASSISTANCE FINANCING ORGANIZATION ASSISTANCE
POPULATION INCREASE AND SATISFACTION OF WANTS
AGRICULTURAL RESOURCES DEVELOPMENT
CONSUMPTION EXPENDITURE
DEMAND FOR CAPITAL FOR PRODUCTIVE USE
INCREASE OF CAPITAL INPUT ON FARM
LOANS FROM FINANCING ORGANIZATIONS
FARMERS' OWN CAPITAL (SAVING AND PRODUCTION SURPLUS)

involved in this farm business picture. The central point focuses on the inducement of profitable investment opportunities and capital uses toward the farm business by the impact of market demand and price stability on the one hand, and reduced cost by higher production efficiency on the other. Sometimes we tend to place all the blame for the stagnation and bottlenecks of low agricultural production on the lack of capital, when in reality it may very well be that we have failed to first identify and assess accurately the actual and feasible potentials of the investment opportunities that the farm and allied agro-business have to offer.

Conclusion

Finally, I think we are agreed that we are facing a dilemma when we consider the capital needs for financing productivity improvement for early stage agriculture. Since agricultural productivity and the farmers' average income are both low at this early stage, the need for capital is quite sizeable. How to finance the minimum primary (or principal) infrastructures and other technical inputs for initial productivity increase presents a serious problem for the developing countries. In this connection, the experiences of Japan and Taiwan during the period 1890-1920, and the 1900-1930, respectively, may offer some valuable concepts and practical guidelines for other Asian countries. In both countries, the

government levied heavy land taxes on the landlords and the landlord in turn collected high rentals from the tenants. Both the government and the landlords applied to a large extent the revenue from the tax and rental collections to the development of infrastructures, which mainly consisted of floc control, irrigation, feeder roads and agricultural research aimed at improving productivity per cultivated land unit.

In view of the present day need for social welfare and the demand for improving the living standard of the farmers, developing countries today will have to face squarely and solve the difficulties of revising their tax structures for raising needed funds for infrastructure development and mobilizing capital necessary for early stage agricultural production improvement. This is a hard choice for government planners but they must make it.

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MOBILIZING RESOURCES FOR RURAL DEVELOPMENT THROUGH LOCAL GOVERNMENTS

The role of local governments in mobilizing resources for rural development may be expressed in several ways. First, in the geographical and administrative context of local affairs, the local governments (barrio, town, and provincial) have always had a vital part in shaping the course of agricultural and rural growth. Secondly, in mobilizing human resources, particularly of unemployed and under employed adults and youth, the rural communities make definite contribution towards urban and industrial employment. The kind and intensity of training for people who will sooner or later move out of the farms will determine the quality of manpower in industrial and service occupations. Thirdly, the resources and facilities for continuing and sustaining the infrastructure projects for rural development are available in each province. Together with the manpower and facilities of the technical services of the national agencies operating in a province, these can be adjusted or reorganized as to be most effective in promoting food production and other aspects of rural development. Lastly, the planning process and the tasks of implementation demand an organizational unit large enough and efficient enough to render actual or potential resources available for continuing development.

The principal problem lies in enabling each local government unit to contribute its utmost to the realization of rural development objectives. Whether the purpose is for increased production and income for the individual producers or for improving the land-tenure relationships with a view to raising productivity on the individual farms, the task is to adjust the organization structure and functions of local governments for the purposes at hand. In the present drive for increased food production, the attention of our leaders and policy-makers should be focused on the role of the provincial government and the barrio council.

THE ROLE OF THE PROVINCE IN RURAL DEVELOPMENT

Up to now the province has remained an ineffective and undependable instrument for development planning and administration. While actually existing as a political and administrative unit, it has been for the most part dependent on the national government for project funds as well as for initiative in adopting development measures. On the whole, the province remains, as it has always been, a satellite of the national government, without initiative nor resources for the attainment of development objectives.

However, the province has the potential and the resources, properly organized, for sustained growth. In fact, experience after the war has indicated that many a province can contribute in a significant way to national project and in implementing various measures for economic growth.

Efficacy of Provincial Development Programs

The efforts of several provincial governments in Luzon as well as in the Visayas are in earnest, on one hand, of the movement towards administrative decentralization and the desire of some of our leaders to make the provincial government share in the responsibility for the prosecution of development projects and programs. Looking at the inadequacy of national capital and the insufficiency of government funds to support essential development projects, one can say that the key to practical measures towards increased agricultural productivity and self-sufficiency in food is the province and its people. On the other hand, a province does not have either the resources nor the facilities to carry out an effective food production or development program.

One of the most reassuring approaches to the mobilization of local resources for provincial development is the experience in the last year or so of two provinces in Luzon, namely, Laguna and Tarlac. Approaching the problems of planning and development in different ways but striving towards the same goals, the provincial leadership in both Laguna and Tarlac has demonstrated certain valuable lessons in rural development among which the following may be mentioned: (1) that the province can provide effective leadership for provincial programs of rural development; (2) that the provincial government can commit provincial funds and other resources to support rural development projects especially irrigation and flood control, farm-to-market roads, improvement of motor pools, etc.; (3) that the provincial government can effectively coordinate national technicians assigned within the province.

Profiting from the experience of Governors San Luis and Aquino in Laguna and Tarlac, respectively, we feel confident that a provincial government can organize a development planning machinery, assess the available resources of his province, and determine the practical measures that can be adopted to get a development program under way. The most important step is to get a viable food production started. Later on, other aspects of the provincial development program can be considered. The important consideration from the very beginning is to make use of the agricultural technicians and other technical men of the national agencies working in the province and to employ as chief technician or executive officer a civil servant with technical competence. The National Economic Council as well as the Rice and Corn Production Council can assist the provincial government in bringing such a development program into being.

Priorities in Provincial Development

Each province will try to approach development from the standpoint of its political, cultural and social traditions, the quality of its present leadership, the availability of existing resources and the

relations, favorable or not, with the National Government. However, in the short run, all that can be done in the next 2 or 3 years is to put emphasis on projects and measures that will yield the most desirable results at the least expense. Granted that resources are very inadequate in each particular province and that the resources of the National Government are not too plentiful either, the priority consideration should be based on the immediate resources available, the capacity for organization and the quality of leadership in the province, and the number and quality of technical people in the various technical services assigned to the provinces.

Assuming that minimum resources are available to the province and that the National Government will try to supplement such resources in order to attain definite objectives in the short run, the following priorities in provincial development may be suggested:

(1) roads, irrigation systems and other infra-structures
(2) community and self-help projects
(3) schools and sanitary facilities
(4) processing, warehousing, and marketing facilities -- under private ownership and control.

Other items may be added to this list as each province increases its financial resources and as more external assistance can be secured. The technicians of the provincial government will also have to learn the art and science of development planning and administration.

Problems of Funding and of Coordinating the Technical Services in Provincial Planning

In the planning and administration of priority projects in each province, it is essential to assess the present situation of roads, irrigation systems, flood control structures, etc. and to determine the infra-structures related to food production which will require immediate attention. The planning alone requires much skill and an intimate knowledge of provincial conditions. Hence the importance of a provincial planning agency or a development council operating under the auspices of the provincial governor. Pending the organization of a planning agency the technical services of the RCPCC staff or of the Provincial Director could be very useful in this planning work.

Perhaps the most difficult problem in provincial development is the funding of essential projects for implementation under the provincial plan. In this regard it may be necessary to develop concepts in terms of standard units or unit cost for road construction, for repair and maintenance of irrigation systems and for barrio or community schools. For example, a road building program for the whole province involving 100 road standard units at ₱5,000 per unit or kilometer would require an

outlay of about P500,000 to complete it. The same approach should be applied to irrigation works, flood control, etc. Related as they are to the success of the food self-sufficiency program the projects will require all the resources of the province plus whatever supplementary assistance the national government may provide.

The correlation of the infrastructures with the technical services operating in the food program would demand a close coordination of the agricultural technicians assigned to the province with the staff and employees under the provincial development program. While certain difficulties would be encountered, such as the administrative jurisdiction of the national agencies, agency jealousies and the like, the orientation of these agencies to the provincial development program would minimize inter-agency conflicts and the bane of agency orientation, rather than project orientation. The present efforts of the RCPCC to coordinate all the technical services in the province under a provincial director and the directives requiring the provincial directors to work closely with the provincial governors and their staff would partly remedy the present adverse effects of inter-agency jealousies and agency orientation of the technicians. In the long run these various agricultural and community development technicians, recognizing the importance of an integrated provincial program, would work together in harmony and help realize the practical goals of rural development.

Supplementing Provincial Resources with National Funds and Foreign Aid

It is generally recognized that the financial resources of a province are hardly adequate for its own needs, not to mention the requirements of national development projects. This is the real reason for the need of careful planning and the setting up of project priorities. First things must come first. If the resources of a province would permit the construction of only so many kilometers of farm-to-market roads and so many kilometers of irrigation and drainage canals then the construction work should be programmed each year so as to achieve completion in a definite number of years. Or, if the available funds could only make possible the rehabilitation of existing irrigation canals and the improvement of existing roads, such available funds should be utilized only for these purposes and for nothing else.

In order to make possible a modicum of planning with realizable goals, the planning of infrastructures essential to increased food production should make use of available provincial funds as well as anticipated national assistance. For the latter, firm commitments of the national government or of the President would be necessary. A word of caution at this point: Each province should plan priority projects based only on its available resources. The extension or improvement of such

projects may be based on additional assistance from the national government. Actual precaution should therefore be taken that only projects that can actually be completed within a given period should be programmed each year.

Perhaps this is the area in which foreign aid could be of tremendous significance. The construction of farm-to-market roads and the improvement of existing irrigation and drainage canals can be made more economical, in certain instances, by using Food-For-Peace supplies as a supplement to actual wages for labor. In provinces where there is a severe shortage of rice and corn these food supplies could be most useful in meeting local requirements while at the same time contributing to the completion of necessary infrastructure projects.

The main reason for assisting a provincial government in its infrastructure projects lies in the social and economic background of rural development. For unless a province receives the necessary assistance now from the national government and other sources, it will be almost impossible to get an effective food program under way. Many a province can not complete its feeder roads and communal irrigation systems for lack of funds. Others never complete these projects because of poor planning and implementation. On the other hand, by providing technical, financial and other assistance to the province at this time, the national government could achieve its objectives of increased productivity by enabling each province to contribute its utmost to building a national food surplus. In the process of programming and implementation the skills and attitudes toward economic and social development could also be generated. It can be seen that the ultimate objective of our government and people is to enable the province to expand the facilities and opportunities for rural youth and adults to make available to them more remunerative employment.

The Uses of Barrio Government

It is only recently that the role of the barrio government has been recognized in rural development. With the development of towns (poblaciones) and the provincial governments during the Spanish and American administrations, the governing of the barrio was neglected. The advent of independence and the need for mobilizing all the resources for accelerated growth have focused attention on the barrio and its potentials.

The activities in community development under President Magsaysay, together with the campaigns for greater food production in the face of the annual rice deficits, have also put the barrio in the fore front of development schemes. Effective barrio development efforts in the early 1950's led to the formation of the Community Development Council

in 1956 (?) and finally to the passage of the Barrio Charter (R.A. No. 2370) in 1959, providing for the election of a barrio captain and the members of the barrio council.

The organization of the barrio council has enabled the barrio people to realize, among others, the following: (1) the coordination of the technical services at the grassroots level, with the barrio council acting as catalyst and sustaining force; (2) mobilization of men, women, and youth through the barrio organizations for rural development activities; (3) organization of barrio government along livelihood and development lines, with council members assuming leadership in definite activities; and (4) the more effective use of the agricultural technicians and community development officers in the barrios, where they provide technical assistance and guidance for increasing productivity and otherwise exert influence over the direction of development activities.

The performance of barrio councils all over the country has been uneven. In many instances they have achieved little in rural development because of lack of drive in mobilizing the local people. Others have failed in their tasks for lack of cooperation from the town officials in releasing their allotments from local revenues. Still others have not utilized their limited taxing powers properly and have therefore antagonized local storekeepers and merchants. The task therefore remains in dynamizing the barrio councils and in seeking ways and means to develop active barrio leadership.

Certain benefits have already been derived by the country as a whole from the activities of the barrio councils and the community development programs of various civic organizations such as the PRRM, Operations Brotherhood, the Jaycees, and others. The demand for agricultural technicians at the barrios and the successful work of voluntary multi-purpose barrio workers in recent years have compelled the national and provincial governments to assign more agricultural technicians and community development workers to specific barrios. The orientation of the extension service and other agricultural services to the barrios has led to the development of production teams, each member of the team to work in a specific barrio and reside there. Provincial programs have in recent years also adjusted their activities to the requirements of the barrios, as a result of which we find social workers, public health nurses, and even doctors visiting the barrios on scheduled days and working with volunteer workers to attend to the needs of the barrio people.

The organization of the production teams of the RCPCC under the Provincial Director and the district supervisors is an attempt to direct technical guidance and material assistance to the priority needs of the barrio farmers and tenants.

Still many problems remain. Certain problems have to be resolved if the barrio councils are to develop into viable instruments for accelerated rural development. Measures have to be adopted toward training out-of-school youth and providing additional school facilities for those reaching school age. Means must be found to seek out and train potential barrio leadership for the development tasks ahead. Briefly, these problems may be singled out thus:

1. Proper use of limited powers to tax under the Local Autonomy Act (R.A. 2264, approved on June 19, 1959), in recognition and appreciation of the requirements of local business and service organizations for growth and development. These limited taxing powers particularly the imposition of license fees, occupational taxes, service charges or fees, can be used to the detriment of local processing firms, small businesses, and professionals.

2. Facilitating the release of allotments of local governments, from internal revenue collections, which amount to about 39 per cent of the funds used by the local government to provide for essential services.

3. Developing other means of financing public improvements by local governments. One of the critical items is the financing of primary and vocational education. The expansion of the barrio high schools is a case in point. Without definite means of additional financing many barrios cannot support their local schools, much less the barrio high schools.

4. Continued sustenance of self-help measures and projects at the barrio level. Foreign aid supplies and national infra-structure projects should be so distributed or undertaken so as not to prejudice the further development of self-help efforts and the initiative of the barrio people.

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